Market Downturn WPW Vacancies **YS**

David Hieber

Oakland County Equalization

WPW

by True Cash Value (T.C.V.)= Ratio Taxable value (T.V.) of prior year divided

to Contested T.C.V. = Loss in Current Taxable Value Ratio multiplied by the difference in T.C.V.

WPW Impact on Taxable Value

T.V. LOSS	T.V. RATIO	Indicated T.C.V. Loss	Petitioner Contest T.C.V.	2005	2004	
1,666,667	0.3333	5,000,000	20,000,000	25,000,000	24,000,000	<u>T.C.V</u>
	BY STATUTE	DUE TO VACANCY	BY THE INCOME	12,500,000	12,000,000	<u>S.E.V.</u>
	211.34d(1)(i)(iii)	Ÿ	BY THE INCOME APPROACH DUE TO	8,184,000	8,000,000 /	<u>T.V.</u>
) INCREASED VACANCY		24,000,000 =	
			СҮ		0.3333	

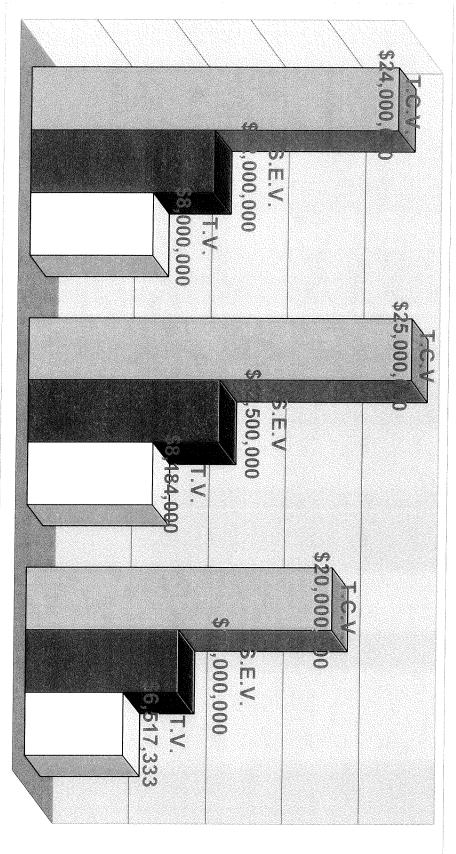
NET EFFECT ON T.V.

8,184,000

1,666,667

\$6,517,333

WPW Erosion of Tax Base



2004

2005

2005 After Appeal

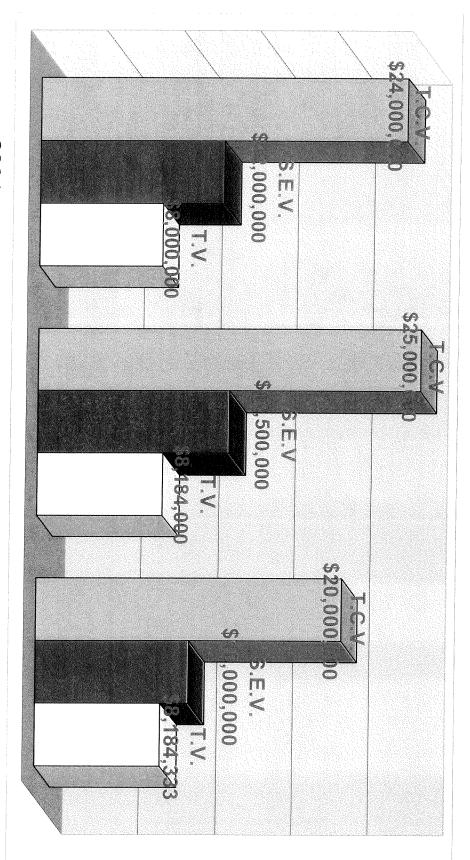
Normal Market Value Downturn

NET EFFECT ON T.V.	T.V. LOSS	T.V. RATIO Not Applicable	Indicated T.C.V. Loss	Petitioner Contest T.C.V.	2005	2004	
	0	0.3333	5,000,000	20,000,000	25,000,000	24,000,000	<u>T.C.V</u>
			DUE TO market changes	BY THE INCOME /	11,000,000	12,000,000	S.E.V.
8,184,000 - 0 = \$8,184,000		ONLY A LOSS WHEN REDUCED SEV FALLS BELOW EXISTING TAXABLE VALUE	hanges	BY THE INCOME APPROACH DUE TO DOWNTURN IN MARKET RENTS	8,184,000	8,000,000 / 24,000,000 = 0.3333	T.V.

8,184,000

\$8,184,000

Normal Market Value Adjustment

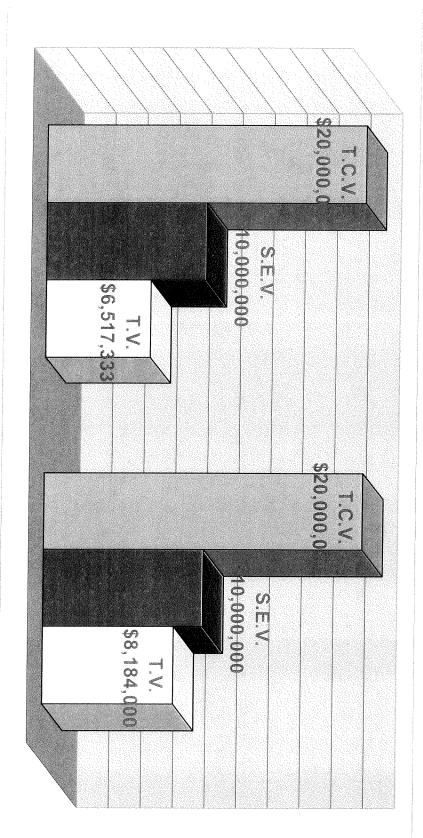


2004

2005

2005 After Appeal

Conclusion



WPW Vacancies

Market Downturn